

Executive Summary – Enforcement Matter – Case No. 49078

DCP Midstream, LP

RN100222330

Docket No. 2014-1104-AIR-E

Order Type:

1660 Agreed Order

Findings Order Justification:

N/A

Media:

AIR

Small Business:

No

Location(s) Where Violation(s) Occurred:

Goldsmith Gas Plant, located approximately one mile west of the intersection of Texas State Highway 158 and Farm-to-Market Road 866 near Goldsmith, Ector County

Type of Operation:

Natural gas processing plant

Other Significant Matters:

Additional Pending Enforcement Actions: Yes, Docket No. 2014-1410-AIR-E

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

Texas Register Publication Date: November 7, 2014

Comments Received: No

Penalty Information

Total Penalty Assessed: \$10,447

Amount Deferred for Expedited Settlement: \$2,089

Amount Deferred for Financial Inability to Pay: \$0

Total Paid to General Revenue: \$8,358

Total Due to General Revenue: \$0

Payment Plan: N/A

SEP Conditional Offset: \$0

Name of SEP: N/A

Compliance History Classifications:

Person/CN - Satisfactory

Site/RN - Satisfactory

Major Source: Yes

Statutory Limit Adjustment: N/A

Applicable Penalty Policy: April 2014

Investigation Information

Complaint Date(s): N/A

Complaint Information: N/A

Date(s) of Investigation: July 15, 2014

Date(s) of NOE(s): July 18, 2014

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DCP Midstream, LP
RN100222330
Docket No. 2014-1104-AIR-E

Violation Information

1. Failed to prevent unauthorized emissions. Specifically, the Respondent released 9,102.35 pounds ("lbs") of sulfur dioxide, 1,488.66 lbs of volatile organic compounds, 880.79 lbs of carbon monoxide, 221.69 lbs of nitrogen oxides, and 98.82 lbs of hydrogen sulfide from the Residue Compression Flare, Emissions Point Number ("EPN") FLR03, during an emissions event (Incident No. 191028) that began on November 19, 2013 and lasted one hour and 30 minutes. The emissions event occurred when a valve was left closed while plant operators were bypassing the Cooling Tower Trim. This led to high second stage discharge pressure in the Inlet Compression Turbine, causing it to trip offline and resulting in flaring. Since this emissions event could have been avoided by better operational practices, the Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222 [30 TEX. ADMIN. CODE §§ 116.115(b)(2)(F) and 122.143(4), Standard Permit No. 73563, Federal Operating Permit ("FOP") No. O2585, General Terms and Conditions and Special Terms and Conditions ("STC") No. 8, and TEX. HEALTH & SAFETY CODE § 382.085(b)].

2. Failed to include the permit authorization and authorized emissions limits in the final report for Incident No. 191028. Specifically, Standard Permit No. 73563 was not included as the permit authorization and the hourly allowable emissions limits were not included for the Residue Compression Flare, EPN FLR03 [30 TEX. ADMIN. CODE §§ 101.201(b)(1)(H) and 122.143(4), FOP No. O2585, STC No. 2.F., and TEX. HEALTH & SAFETY CODE § 382.085(b)].

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

By November 22, 2013, the Respondent conducted an internal investigation into the cause of the emissions event and provided training for operators on proper shutdown procedures for bypassing the Cooling Tower Trim in order to prevent the recurrence of emissions events due to the same or similar causes as Incident No. 191028.

Technical Requirements:

The Order will require the Respondent to:

- a. Within 30 days, implement measures and/or procedures to ensure that final reports for emissions events are complete and accurate; and
- b. Within 45 days, submit written certification to demonstrate compliance with Ordering Provision a.

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DCP Midstream, LP

RN100222330

Docket No. 2014-1104-AIR-E

Litigation Information

Date Petition(s) Filed: N/A

Date Answer(s) Filed: N/A

SOAH Referral Date: N/A

Hearing Date(s): N/A

Settlement Date: N/A

Contact Information

TCEQ Attorney: N/A

TCEQ Enforcement Coordinator: David Carney, Enforcement Division,
Enforcement Team 5, MC 149, (512) 239-2583; Candy Garrett, Enforcement Division,
MC 219, (512) 239-1456

TCEQ SEP Coordinator: N/A

Respondent: Jackie Strickland, General Manager, DCP Midstream, LP, 10 Desta
Drive, Suite 400 West, Midland, Texas 79705

Quentin Mendenhall, Environmental Manager, DCP Midstream, LP, 10 Desta Drive,
Suite 400 West, Midland, Texas 79705

Respondent's Attorney: N/A



Penalty Calculation Worksheet (PCW)

Policy Revision 4 (April 2014)

PCW Revision March 26, 2014

TCEQ

DATES	Assigned	21-Jul-2014	Screening	1-Aug-2014	EPA Due	12-Apr-2015
	PCW	14-Aug-2014				

RESPONDENT/FACILITY INFORMATION

Respondent	DCP Midstream, LP				
Reg. Ent. Ref. No.	RN100222330				
Facility/Site Region	7-Midland		Major/Minor Source	Major	

CASE INFORMATION

Enf./Case ID No.	49078	No. of Violations	2
Docket No.	2014-1104-AIR-E	Order Type	1660
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	David Carney
		EC's Team	Enforcement Team 5
Admin. Penalty \$ Limit Minimum	\$0	Maximum	\$25,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties) **Subtotal 1** **\$7,750**

ADJUSTMENTS (+/-) TO SUBTOTAL 1

Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.

Compliance History **59.0%** Enhancement **Subtotals 2, 3, & 7** **\$4,572**

Notes Enhancement for two agreed orders with denial of liability and one agreed order with no denial of liability. Reduction for two Notices of Intent to conduct an audit and two Disclosures of Violations.

Culpability **No** **0.0%** Enhancement **Subtotal 4** **\$0**

Notes The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply Total Adjustments **Subtotal 5** **-\$1,875**

Economic Benefit **0.0%** Enhancement* **Subtotal 6** **\$0**

Total EB Amounts **\$71**
Estimated Cost of Compliance **\$3,500**
*Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7 **Final Subtotal** **\$10,447**

OTHER FACTORS AS JUSTICE MAY REQUIRE **0.0%** **Adjustment** **\$0**

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes

Final Penalty Amount **\$10,447**

STATUTORY LIMIT ADJUSTMENT **Final Assessed Penalty** **\$10,447**

DEFERRAL **20.0%** Reduction **Adjustment** **-\$2,089**

Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes

Deferral offered for expedited settlement.

PAYABLE PENALTY **\$8,358**

Screening Date 1-Aug-2014

Docket No. 2014-1104-AIR-E

PCW

Respondent DCP Midstream, LP

Policy Revision 4 (April 2014)

Case ID No. 49078

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN100222330

Media [Statute] Air

Enf. Coordinator David Carney

Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written notices of violation ("NOVs") with same or similar violations as those in the current enforcement action (<i>number of NOVs meeting criteria</i>)	0	0%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>)	2	40%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	1	25%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (<i>number of judgments or consent decrees meeting criteria</i>)	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (<i>number of counts</i>)	0	0%
Emissions	Chronic excessive emissions events (<i>number of events</i>)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which notices were submitted</i>)	2	-2%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which violations were disclosed</i>)	2	-4%
Please Enter Yes or No			
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 59%

>> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

Satisfactory Performer

Adjustment Percentage (Subtotal 7) 0%

>> Compliance History Summary

Compliance History Notes

Enhancement for two agreed orders with denial of liability and one agreed order with no denial of liability. Reduction for two Notices of Intent to conduct an audit and two Disclosures of Violations.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7) 59%

>> Final Compliance History Adjustment

Final Adjustment Percentage *capped at 100% 59%

Screening Date 1-Aug-2014

Docket No. 2014-1104-AIR-E

PCW

Respondent DCP Midstream, LP

Policy Revision 4 (April 2014)

Case ID No. 49078

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN100222330

Media [Statute] Air

Enf. Coordinator David Carney

Violation Number 1

Rule Cite(s)

30 Tex. Admin. Code §§ 116.115(b)(2)(F) and 122.143(4), Standard Permit No. 73563, Federal Operating Permit ("FOP") No. O2585, General Terms and Conditions and Special Terms and Conditions ("STC") No. 8, and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to prevent unauthorized emissions. Specifically, the Respondent released 9,102.35 pounds ("lbs") of sulfur dioxide, 1,488.66 lbs of volatile organic compounds, 880.79 lbs of carbon monoxide, 221.69 lbs of nitrogen oxides, and 98.82 lbs of hydrogen sulfide from the Residue Compression Flare, Emissions Point Number ("EPN") FLR03, during an emissions event (Incident No. 191028) that began on November 19, 2013 and lasted one hour and 30 minutes. The emissions event occurred when a valve was left closed while plant operators were bypassing the Cooling Tower Trim. This led to high second stage discharge pressure in the Inlet Compression Turbine, causing it to trip offline and resulting in flaring. Since this emissions event could have been avoided by better operational practices, the Respondent is precluded from asserting an affirmative defense under 30 Tex. Admin. Code § 101.222.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual		x	
Potential			

Percent 30.0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0.0%

Matrix Notes

Human health or the environment has been exposed to significant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$17,500

\$7,500

Violation Events

Number of Violation Events 1

1 Number of violation days

mark only one with an x	daily	
	weekly	
	monthly	x
	quarterly	
	semiannual	
	annual	
	single event	

Violation Base Penalty \$7,500

One monthly event is recommended.

Good Faith Efforts to Comply

25.0%

Reduction \$1,875

Before NOE/NOV NOE/NOV to EDPRP/Settlement Offer

Extraordinary	
Ordinary	x
N/A	(mark with x)

Notes The Respondent came into compliance on November 22, 2013, prior to the Notice of Enforcement dated July 18, 2014.

Violation Subtotal \$5,625

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$1

Violation Final Penalty Total \$10,050

This violation Final Assessed Penalty (adjusted for limits) \$10,050

Economic Benefit Worksheet

Respondent DCP Midstream, LP
Case ID No. 49078
Reg. Ent. Reference No. RN100222330
Media Air
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling	\$2,500	19-Nov-2013	22-Nov-2013	0.01	\$1	n/a	\$1
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

Estimated cost to conduct an internal investigation into the cause of the emissions event and provide training for operators on proper shutdown procedures for bypassing the Cooling Tower Trim in order to prevent the recurrence of emissions events due to the same or similar causes as Incident No. 191028. The date required is the date of the emissions event and the final date is the compliance date.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$2,500

TOTAL

\$1

Screening Date 1-Aug-2014

Docket No. 2014-1104-AIR-E

PCW

Respondent DCP Midstream, LP

Policy Revision 4 (April 2014)

Case ID No. 49078

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN100222330

Media [Statute] Air

Enf. Coordinator David Carney

Violation Number 2

Rule Cite(s) 30 Tex. Admin. Code §§ 101.201(b)(1)(H) and 122.143(4), FOP No. 02585, STC No. 2.F., and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to include the permit authorization and authorized emissions limits in the final report for Incident No. 191028. Specifically, Standard Permit No. 73563 was not included as the permit authorization and the hourly allowable emissions limits were not included for the Residue Compression Flare, EPN FLR03.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			

Percent 0.0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor
			x

Percent 1.0%

Matrix Notes

At least 70% of the rule requirements were met.

Adjustment \$24,750

\$250

Violation Events

Number of Violation Events 1

241 Number of violation days

mark only one with an x	daily	
	weekly	
	monthly	
	quarterly	
	semiannual	
	annual	
	single event	x

Violation Base Penalty \$250

One single event is recommended for one incomplete report.

Good Faith Efforts to Comply

0.0%

Reduction \$0

	Before NOE/NOV	NOE/NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary		
N/A	x	(mark with x)

Notes The Respondent does not meet the good faith criteria for this violation.

Violation Subtotal \$250

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$70

Violation Final Penalty Total \$398

This violation Final Assessed Penalty (adjusted for limits) \$398

Economic Benefit Worksheet

Respondent DCP Midstream, LP
Case ID No. 49078
Reg. Ent. Reference No. RN100222330
Media Air
Violation No. 2

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$1,000	3-Dec-2013	1-May-2015	1.41	\$70	n/a	\$70

Notes for DELAYED costs

Estimated cost to implement measures and/or procedures to ensure that final reports for emissions events are complete and accurate. The Date Required is the date that the final report was due and the Final Date is the estimated date of compliance.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$1,000

TOTAL

\$70



Compliance History Report

PUBLISHED Compliance History Report for CN601229917, RN100222330, Rating Year 2013 which includes Compliance History (CH) components from September 1, 2008, through August 31, 2013.

Customer, Respondent, or Owner/Operator: CN601229917, DCP Midstream, LP

Classification: SATISFACTORY

Rating: 4.97

Regulated Entity: RN100222330, Goldsmith Gas Plant

Classification: SATISFACTORY

Rating: 14.95

Complexity Points: 14

Repeat Violator: NO

CH Group: 03 - Oil and Gas Extraction

Location: APPROXIMATELY ONE MILE WEST OF THE INTERSECTION OF TEXAS STATE HIGHWAY 158 AND FARM-TO-MARKET ROAD 866 NEAR GOLDSMITH IN ECTOR COUNTY, TEXAS

TCEQ Region: REGION 07 - MIDLAND

ID Number(s):

AIR OPERATING PERMITS ACCOUNT NUMBER EB0053J

AIR OPERATING PERMITS PERMIT 2585

AIR NEW SOURCE PERMITS REGISTRATION 10321

AIR NEW SOURCE PERMITS REGISTRATION 10532

AIR NEW SOURCE PERMITS REGISTRATION 12612A

AIR NEW SOURCE PERMITS PERMIT 676A

AIR NEW SOURCE PERMITS ACCOUNT NUMBER EB0053J

AIR NEW SOURCE PERMITS REGISTRATION 54944

AIR NEW SOURCE PERMITS REGISTRATION 73563

AIR NEW SOURCE PERMITS AFS NUM 4813500022

AIR NEW SOURCE PERMITS REGISTRATION 73567

AIR NEW SOURCE PERMITS REGISTRATION 76810

AIR NEW SOURCE PERMITS REGISTRATION 85276

AIR NEW SOURCE PERMITS EPA PERMIT PSDTX1246

AIR EMISSIONS INVENTORY ACCOUNT NUMBER EB0053J

Compliance History Period: September 01, 2008 to August 31, 2013

Rating Year: 2013

Rating Date: 09/01/2013

Date Compliance History Report Prepared: August 19, 2014

Agency Decision Requiring Compliance History: Enforcement

Component Period Selected: July 31, 2009 to July 31, 2014

TCEQ Staff Member to Contact for Additional Information Regarding This Compliance History.

Name: David Carney

Phone: (512) 239-2583

Site and Owner/Operator History:

- 1) Has the site been in existence and/or operation for the full five year compliance period? YES
- 2) Has there been a (known) change in ownership/operator of the site during the compliance period? NO
- 3) If YES for #2, who is the current owner/operator? N/A
- 4) If YES for #2, who was/were the prior owner(s)/operator(s)? N/A
- 5) If YES, when did the change(s) in owner or operator occur? N/A

Components (Multimedia) for the Site Are Listed in Sections A - J

A. Final Orders, court judgments, and consent decrees:

1 Effective Date: 02/05/2011 ADMINORDER 2010-1511-AIR-E (1660 Order-Agreed Order With Denial)

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)

30 TAC Chapter 122, SubChapter B 122.143(4)

5C THSC Chapter 382 382.085(b)

Rqmt Prov: Permit 676A Special Condition 1 PERMIT

SOP 02585 Special Terms and Conditions 7 PERMIT

Description: Failed to maintain compliance with the 481.70 pounds per hour ("lbs/hr") sulfur dioxide ("SO2") permitted emission limit for the tail gas incinerator stack. Specifically, the Respondent exceeded the permitted limit by at least 9

lbs/hr for 253 hourly instances during the January 1, 2009 through December 31, 2009 reporting period; resulting in the unauthorized release of 2,277 lbs of SO₂.

Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
30 TAC Chapter 122, SubChapter B 122.145(2)(A)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: SOP Number O2585 Gen. Terms & Conditions PERMIT

Description: Failed to include all instances of deviations in the semi-annual deviation report for the period of January 1, 2009 through June 30, 2009. Specifically, the Respondent failed to include deviations for 194 instances when the temperature in the combustion chamber of the tail gas incinerator fell below 1,200 degrees Fahrenheit between February 26, 2009 through March 9, 2009.

2 Effective Date: 03/07/2011 ADMINORDER 2009-1821-AIR-E (Findings Order-Agreed Order Without Denial)

Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)(1)(B)
5C THSC Chapter 382 382.085(b)

Description: Failed to submit the initial notification for a reportable emissions event (Incident Number 115063) within 24 hours after discovery of the incident.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: Permit Number 676A General Condition 8 PERMIT
Standard Permit, General Condition 8 PERMIT

Description: Failed to prevent the discharge of unauthorized emissions resulting from 28 emissions events associated with the B-Turbine

Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)(1)(B)
5C THSC Chapter 382 382.085(b)

Description: Failed to submit the initial notifications for Emissions Event Incidents Number 119050 and 121907 within 24 hours after discovery of the incidents.

Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter F 101.201(b)(1)(B)
5C THSC Chapter 382 382.085(b)

Description: Failed to submit the final report for reportable Emissions Event (Incident Number 121907) within 2 weeks after the end of the incident.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: General Condition 8 PERMIT
Standard Permit, General Condition 8 PERMIT

Description: Failed to prevent the discharge of unauthorized emissions resulting from 20 emissions events associated with the A-Turbine.

Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)(1)(B)
5C THSC Chapter 382 382.085(b)

Description: Failed to submit the initial notification for a reportable emissions event (Incident No. 128688) within 24 hours after discovery of the incident.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: General Condition 8 PERMIT
Standard Permit, General Condition 8 PERMIT

Description: Failed to prevent the discharge of unauthorized emissions resulting from 30 emissions events associated with the A-Turbine.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: Standard Permit, General Condition 8 PERMIT

Description: Failed to prevent the discharge of unauthorized emissions resulting from 19 emissions events associated with the B-Turbine

3 Effective Date: 06/13/2013 ADMINORDER 2012-2393-AIR-E (1660 Order-Agreed Order With Denial)

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter F 116.615(2)

5C THSC Chapter 382 382.085(b)

Rqmt Prov: Standard Permit PERMIT

Description: Failure to comply with the emissions rate for nitrogen oxides, carbon monoxide, sulfur dioxide, volatile organic compounds, and hydrogen sulfide as authorized by Standard Permit Number 73563 in the Standard Permit Emissions Rate Table. The regulated entity failed to provide an acceptable affirmative defense for this emissions event since the unauthorized emissions resulted from human error that was preventable.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter F 116.615(2)

5C THSC Chapter 382 382.085(b)

Rqmt Prov: Standard Permit PERMIT

Description: Failure to comply with the emissions rate for nitrogen oxides, carbon monoxide, sulfur dioxide, volatile organic compounds, and hydrogen sulfide as authorized by Standard Permit Number 73563 in the Standard Permit Emissions Rate Table. The regulated entity failed to provide an acceptable affirmative defense for this emissions event since the unauthorized emissions resulted from human error that was preventable.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter F 116.615(2)

5C THSC Chapter 382 382.085(b)

Rqmt Prov: Standard Permit PERMIT

Description: Failure to comply with the emissions rate for nitrogen oxides, carbon monoxide, sulfur dioxide, volatile organic compounds, and hydrogen sulfide as authorized by Standard Permit Number 73563 in the Standard Permit Emissions Rate Table. The regulated entity failed to provide an acceptable affirmative defense for this emissions event since the unauthorized emissions resulted from human error that was preventable.

B. Criminal convictions:

N/A

C. Chronic excessive emissions events:

N/A

D. The approval dates of investigations (CCEDS Inv. Track. No.):

Item 1	August 03, 2009	(764256)
Item 2	August 10, 2009	(765099)
Item 3	August 21, 2009	(766490)
Item 4	August 24, 2009	(766287)
Item 5	September 23, 2009	(777059)
Item 6	October 14, 2009	(779227)
Item 7	December 02, 2009	(784085)
Item 8	December 03, 2009	(784325)
Item 9	January 12, 2010	(788058)
Item 10	January 13, 2010	(788269)
Item 11	January 15, 2010	(788457)
Item 12	January 27, 2010	(789774)
Item 13	January 28, 2010	(789962)
Item 14	January 29, 2010	(790207)
Item 15	February 01, 2010	(790391)
Item 16	February 02, 2010	(790481)
Item 17	February 03, 2010	(790685)
Item 18	February 04, 2010	(790922)
Item 19	January 21, 2011	(892502)
Item 20	March 01, 2011	(900925)
Item 21	May 24, 2011	(921474)
Item 22	September 01, 2011	(950270)
Item 23	September 07, 2011	(952285)
Item 24	September 09, 2011	(955622)
Item 25	September 23, 2011	(957450)
Item 26	September 26, 2011	(957346)
Item 27	September 30, 2011	(958101)
Item 28	October 13, 2011	(962401)
Item 29	October 17, 2011	(962680)
Item 30	October 24, 2011	(963446)
Item 31	October 31, 2011	(964212)
Item 32	November 30, 2011	(969901)

Item 33	March 02, 2012	(989848)
Item 34	March 06, 2012	(990012)
Item 35	March 08, 2012	(990339)
Item 36	March 09, 2012	(993540)
Item 37	March 12, 2012	(993654)
Item 38	March 14, 2012	(993946)
Item 39	March 16, 2012	(994495)
Item 40	July 13, 2012	(1020034)
Item 41	July 19, 2012	(1020890)
Item 42	July 20, 2012	(1021083)
Item 43	July 27, 2012	(1021773)
Item 44	August 03, 2012	(1023054)
Item 45	September 04, 2012	(1028160)
Item 46	September 18, 2012	(1034484)
Item 47	October 18, 2012	(1041105)
Item 48	October 22, 2012	(1041183)
Item 49	December 10, 2012	(1050904)
Item 50	December 12, 2012	(1051349)
Item 51	December 13, 2012	(1051383)
Item 52	January 10, 2013	(1053432)
Item 53	May 02, 2013	(1087825)
Item 54	July 15, 2013	(1102449)
Item 55	August 01, 2013	(1105234)
Item 56	August 13, 2013	(1103445)
Item 57	August 16, 2013	(1113612)
Item 58	July 07, 2014	(1179242)
Item 59	July 14, 2014	(1179737)

E. Written notices of violations (NOV) (CCEDS Inv. Track. No.):

A notice of violation represents a written allegation of a violation of a specific regulatory requirement from the commission to a regulated entity. A notice of violation is not a final enforcement action, nor proof that a violation has actually occurred.

N/A

F. Environmental audits:

Notice of Intent Date: 09/23/2010 (869950)

Disclosure Date: 11/17/2010

Viol. Classification: Major

Citation: 30 TAC Chapter 106, SubChapter O 106.352(5)

2A TWC Chapter 7, SubChapter A 7.101

Rqmt Prov: OP SC8

Description: Failure to register with the Commission, using Form PI-7 along with supporting documentation that all requirements of PBR No. 106.352 will be met, before operation begins.

Viol. Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.121

30 TAC Chapter 122, SubChapter B 122.132(e)

2A TWC Chapter 7, SubChapter A 7.101

Rqmt Prov: OP Gen. Conds.

Description: Failure to submit a Title V permit revision. DCP discovered that LACT Tank No. 2 at the Goldsmith Gas Plant has been operated without being incorporated into Title V Permit No. O-2585.

Viol. Classification: Major

Citation: 30 TAC Chapter 122, SubChapter C 122.210(a)

2A TWC Chapter 7, SubChapter A 7.101

Rqmt Prov: OP SC8

Description: Failure to register with the Commission, using Form PI-7 along with supporting documentation that all requirements of Standard Exemption 66 will be met, before operation begins.

Viol. Classification: Major

Citation: 30 TAC Chapter 122, SubChapter B 122.121

30 TAC Chapter 122, SubChapter B 122.132(e)

30 TAC Chapter 122, SubChapter C 122.210(a)

2A TWC Chapter 7, SubChapter A 7.101

Rqmt Prov: OP Gen. Conds. and SC8

Description: Failure to register with the Commission, using Form PI-7 along with supporting documentation that all requirements of Standard Exemption 66 will be met, before operation begins. Specifically, this is for facilities handling sour gas.

Viol. Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.132(e)
2A TWC Chapter 7, SubChapter A 7.101

Rqmt Prov: OP Gen. Conds.

Description: Failure to ensure that all permit information is complete. TANK-8 was formerly a pressurized vessel, but triggered NSPS Subpart Kb requirements approx. 10 yrs ago when it was converted to atmospheric service. Although NSPS Subpart Kb applicability was accurately represented in the application for the Title V General Operating Permit, now void, DCP discovered pursuant to the audit that Kb applicability for the tank is not reflected in the current Site Operating Permit, No. O-2585.

Viol. Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.121
30 TAC Chapter 122, SubChapter B 122.132(e)
2A TWC Chapter 7, SubChapter A 7.101

Rqmt Prov: OP Gen. Conds.

Description: Failure to submit a Title V permit revision. On January 27, 2011, DCP disclosed under the Audit Act that the following fuel storage tanks at the Goldsmith Gas Plant have been operated without being incorporated into Title V Permit No. O-2585: a 270-gallon diesel storage tank, a 10,000-gallon gasoline tank, and a 2,200-gallon diesel tank.

Viol. Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.145
30 TAC Chapter 122, SubChapter B 122.146
2A TWC Chapter 7, SubChapter A 7.101

Rqmt Prov: OP Gen. Conds.

Description: Failed to include the violations disclosed in this Appendix as deviations in the Title V deviation reports and annual certification reports submitted for the Goldsmith Gas Plant for the approximately 5-year period covering 2006 through 6-30-10. Although DCP discovered the disclosed violations only through an audit which went above and beyond the reasonable inquiry required by 30 TAC 122.165(b), out of an abundance of caution, DCP is disclosing as violations the lack of deviation reporting.

Notice of Intent Date: 12/20/2012 (1089141)

Disclosure Date: 07/30/2013

Viol. Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)
30 TAC Chapter 101, SubChapter F 101.201(b)
30 TAC Chapter 106, SubChapter A 106.6(b)
30 TAC Chapter 106, SubChapter A 106.6(c)
ther: _____hapter B 122.143(4)
5C THSC Chapter 382 382.085
2A TWC Chapter 7, SubChapter A 7.101

Rqmt Prov: OP Special Conditions 2, 4, and 5

Description: Failed to report 11 reportable emission events and failed to create final records for the emission events. Additionally, there were 122 emission events that were required to be recorded, but were not identified or recorded until discovered as a result of this audit. The period of this disclosure is from January 1, 2010 through May 31, 2013.

Viol. Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)
30 TAC Chapter 101, SubChapter F 101.201(b)
30 TAC Chapter 106, SubChapter A 106.6(b)
30 TAC Chapter 106, SubChapter A 106.6(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085
2A TWC Chapter 7, SubChapter A 7.101

Rqmt Prov: OP Special Conditions 2, 4, and 5
PERMIT Standard Permit

Description: Failed to identify and record 32 emission events that were required to be recorded.

Viol. Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)
30 TAC Chapter 101, SubChapter F 101.201(b)
30 TAC Chapter 106, SubChapter A 106.6(b)
30 TAC Chapter 106, SubChapter A 106.6(c)
30 TAC Chapter 122, SubChapter B 122.143(4)

5C THSC Chapter 382 382.085

2A TWC Chapter 7, SubChapter A 7.101

Rqmt Prov: OP Special Conditions 2, 4, and 5

PERMIT Standard Permit

Description: Failed to report 4 reportable emission events and failed to create final records for the emission events. Additionally, there were 8 emission events that were required to be recorded, but were not identified or recorded until discovered as a result of this audit. The period of this disclosure is from January 1, 2010 through May 31, 2013.

Viol. Classification: Minor

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)

30 TAC Chapter 122, SubChapter B 122.145

30 TAC Chapter 122, SubChapter B 122.146

5C THSC Chapter 382 382.085

2A TWC Chapter 7, SubChapter A 7.101

Rqmt Prov: OP Special Condition 7

Description: Failed to include the violations disclosed in the preliminary disclosure of violations as deviations in the Title V reports submitted for Goldsmith Gas Plant for the period covering January 1, 2010 through May 31, 2013.

G. Type of environmental management systems (EMSs):

N/A

H. Voluntary on-site compliance assessment dates:

N/A

I. Participation in a voluntary pollution reduction program:

N/A

J. Early compliance:

N/A

Sites Outside of Texas:

N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING
DCP MIDSTREAM, LP
RN100222330

§
§
§
§
§

BEFORE THE

TEXAS COMMISSION ON

ENVIRONMENTAL QUALITY

AGREED ORDER
DOCKET NO. 2014-1104-AIR-E

I. JURISDICTION AND STIPULATIONS

On _____, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding DCP Midstream, LP ("Respondent") under the authority of TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent together stipulate that:

1. The Respondent owns and operates a natural gas processing plant located approximately one mile west of the intersection of Texas State Highway 158 and Farm-to-Market Road 866 near Goldsmith, Ector County, Texas (the "Plant").
2. The Plant consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
3. The Executive Director and the Respondent agree that the Commission has jurisdiction to enter this Agreed Order, and that the Respondent is subject to the Commission's jurisdiction.
4. The Respondent received notice of the violations alleged in Section II ("Allegations") on or about July 23, 2014.
5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by the Respondent of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
6. An administrative penalty in the amount of Ten Thousand Four Hundred Forty-Seven Dollars (\$10,447) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid Eight Thousand Three Hundred Fifty-Eight Dollars (\$8,358) of the administrative penalty and Two Thousand Eighty-

Nine Dollars (\$2,089) is deferred contingent upon the Respondent's timely and satisfactory compliance with all the terms of this Agreed Order. The deferred amount will be waived upon full compliance with the terms of this Agreed Order. If the Respondent fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require the Respondent to pay all or part of the deferred penalty.

7. Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.
8. The Executive Director and the Respondent agree on a settlement of the matters alleged in this enforcement action, subject to final approval in accordance with 30 TEX. ADMIN. CODE § 70.10(a).
9. The Executive Director recognizes that by November 22, 2013, the Respondent conducted an internal investigation into the cause of the emissions event and provided training for operators on proper shutdown procedures for bypassing the Cooling Tower Trim in order to prevent the recurrence of emissions events due to the same or similar causes as Incident No. 191028.
10. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Agreed Order.
11. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
12. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.

II. ALLEGATIONS

As owner and operator of the Plant, the Respondent is alleged to have:

1. Failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE §§ 116.115(b)(2)(F) and 122.143(4), Standard Permit No. 73563, Federal Operating Permit ("FOP") No. 02585, General Terms and Conditions and Special Terms and Conditions ("STC") No. 8, and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on July 15, 2014. Specifically, the Respondent released 9,102.35 pounds ("lbs") of sulfur dioxide, 1,488.66 lbs of volatile organic compounds, 880.79 lbs of carbon monoxide, 221.69 lbs of nitrogen oxides, and 98.82 lbs of hydrogen sulfide from the Residue Compression Flare, Emissions Point Number ("EPN") FLR03, during an emissions event (Incident No. 191028) that began on November 19, 2013 and lasted one hour and 30 minutes. The emissions event occurred when a valve was left closed while plant operators were bypassing the Cooling Tower Trim. This led to high second stage discharge pressure in the Inlet Compression Turbine, causing it to trip offline and resulting in flaring. Since this emissions event could have

been avoided by better operational practices, the Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222.

2. Failed to include the permit authorization and authorized emissions limits in the final report for Incident No. 191028, in violation of 30 TEX. ADMIN. CODE §§ 101.201(b)(1)(H) and 122.143(4), FOP No. 02585, STC No. 2.F., and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on July 15, 2014. Specifically, Standard Permit No. 73563 was not included as the permit authorization and the hourly allowable emissions limits were not included for the Residue Compression Flare, EPN FLR03.

III. DENIALS

The Respondent generally denies each allegation in Section II ("Allegations").

IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that the Respondent pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and the Respondent's compliance with all the terms and conditions set forth in this Agreed Order resolve only the allegations in Section II. The Commission shall not be constrained in any manner from requiring corrective action or penalties for violations which are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: DCP Midstream, LP, Docket No. 2014-1104-AIR-E" to:

Financial Administration Division, Revenue Operations Section
Attention: Cashier's Office, MC 214
Texas Commission on Environmental Quality
P.O. Box 13088
Austin, Texas 78711-3088

2. It is further ordered that the Respondent shall undertake the following technical requirements:
 - a. Within 30 days after the effective date of this Agreed Order, implement measures and/or procedures to ensure that final reports for emissions events are complete and accurate; and
 - b. Within 45 days after the effective date of this Agreed Order, submit written certification as described below, and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision No. 2.a. The certification shall be notarized by a State of Texas Notary Public and include the following certification language:

"I certify under penalty of law that I have personally examined and am familiar with the information submitted and all attached documents, and that based on my inquiry of those individuals immediately responsible for obtaining the

information, I believe that the submitted information is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fines and imprisonment for knowing violations."

The certification shall be submitted to:

Order Compliance Team
Enforcement Division, MC 149A
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

with a copy to:

Air Section Manager
Midland Regional Office
Texas Commission on Environmental Quality
9900 W. IH-20, Ste. 100
Midland, Texas 79706

3. The provisions of this Agreed Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Plant operations referenced in this Agreed Order.
4. If the Respondent fails to comply with any of the Ordering Provisions in this Agreed Order within the prescribed schedules, and that failure is caused solely by an act of God, war, strike, riot, or other catastrophe, the Respondent's failure to comply is not a violation of this Agreed Order. The Respondent shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. The Respondent shall notify the Executive Director within seven days after the Respondent becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.
5. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by the Respondent shall be made in writing to the Executive Director. Extensions are not effective until the Respondent receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
6. This Agreed Order, issued by the Commission, shall not be admissible against the Respondent in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
7. This Agreed Order may be executed in separate and multiple counterparts, which together shall constitute a single instrument. Any page of this Agreed Order may be

copied, scanned, digitized, converted to electronic portable document format ("pdf"), or otherwise reproduced and may be transmitted by digital or electronic transmission, including but not limited to facsimile transmission and electronic mail. Any signature affixed to this Agreed Order shall constitute an original signature for all purposes and may be used, filed, substituted, or issued for any purpose for which an original signature could be used. The term "signature" shall include manual signatures and true and accurate reproductions of manual signatures created, executed, endorsed, adopted, or authorized by the person or persons to whom the signatures are attributable. Signatures may be copied or reproduced digitally, electronically, by photocopying, engraving, imprinting, lithographing, electronic mail, facsimile transmission, stamping, or any other means or process which the Executive Director deems acceptable. In this paragraph exclusively, the terms "electronic transmission", "owner", "person", "writing", and "written" shall have the meanings assigned to them under TEX. BUS. ORG. CODE § 1.002.

8. Under 30 TEX. ADMIN. CODE § 70.10(b), the effective date is the date of hand-delivery of the Order to the Respondent, or three days after the date on which the Commission mails notice of the Order to the Respondent, whichever is earlier.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission

Pamela Danvers
For the Executive Director

1/22/15
Date

I, the undersigned, have read and understand the attached Agreed Order. I am authorized to agree to the attached Agreed Order on behalf of the entity indicated below my signature, and I do agree to the terms and conditions specified therein. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I also understand that failure to comply with the Ordering Provisions, if any, in this order and/or failure to timely pay the penalty amount, may result in:

- A negative impact on compliance history;
- Greater scrutiny of any permit applications submitted;
- Referral of this case to the Attorney General's Office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions;
- Automatic referral to the Attorney General's Office of any future enforcement actions; and
- TCEQ seeking other relief as authorized by law.

In addition, any falsification of any compliance documents may result in criminal prosecution.

JW Strickland
Signature

10-1-2014
Date

Jackie Strickland
Name (Printed or typed)
Authorized Representative of
DCP Midstream, LP

General Manager
Title

Instructions: Send the original, signed Agreed Order with penalty payment to the Financial Administration Division, Revenue Operations Section at the address in Section IV, Paragraph 1 of this Agreed Order.